

**COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION**

**FISCAL NOTE**

L.R. No.: 1679-01  
Bill No.: SB 530  
Subject: Taxation and Revenue - Sales and Use; Transportation; Tourism; Railroads  
Type: Original  
Date: March 12, 2003

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

\*Expected to exceed \$100,000 annually.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
School District Trust	(Unknown)	(Unknown)	(Unknown)
Conservation	(Unknown)	(Unknown)	(Unknown)
Parks and Soil	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on Other State Funds*</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

\*Expected to exceed \$100,000 annually.

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government*</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

\*Expected to exceed \$100,000 annually

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue (DOR)** did not respond to our fiscal note request. However, in response to SB 1058 from the 2002 session, DOR stated this legislation exempts ticket sales for railway excursions that travel fewer than fifty miles from their origination. DOR assumed this legislation would not have an administrative impact on its agency.

Officials of the **Department of Economic Development, Division of Tourism** and the **Department of Transportation, Division of Motor Carrier & Railroad Safety** assume this bill will not fiscally impact their agencies.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this bill would provide a sales tax exemption for “railway excursions” of less than 50 miles. It would appear that the purpose of this is to exempt “tourist” type railroad excursions. This proposal would negatively impact general revenue. BAP defers to Department of Revenue and/or Department of Transportation for specific information on the tax revenue loss that would be associated with this proposal. This proposal would have no impact on BAP.

ASSUMPTION (continued)

According to the Amtrak Strategic Business Plan, 22.5 million passengers were served in FY 2000 (ending September 30, 2000) earning ticket revenue of \$1.1 billion. For the first quarter in FY 2001, the company served 6 million passengers and received \$298 million in ticket revenue. Amtrak's rate of growth in ticket sales is 10%. Amtrak operates 22,000 miles of passenger rail, serving over 500 communities in 45 states. Amtrak operates 842 miles of track in Missouri. Multiplying the ratio of Missouri miles to national miles (3.83%) by national ticket sales, the estimated annual Missouri ticket sales would be \$42.1 million in FY02. **However, Amtrak Railroad tickets are not subject to sales tax pursuant to Federal law (49 USC Sec. 24301).** The Jefferson City Amtrak Station confirmed that sales tax is not charged on railroad passenger tickets.

In addition to Amtrak, **Oversight** has identified four scenic tourist trains operating in Missouri based on information from the Missouri Division of Tourism. Whether each train would qualify for the exemption in this proposal is unknown. Also, the sales revenue from these trains is unknown. Therefore, Oversight assumes the revenue loss from this sales tax exemption for railway excursion tickets would be a negative unknown (expected to exceed \$100,000 annually) to all affected funds.

**This proposal would decrease Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE FUND</b>			
<u>Loss - General Revenue Fund</u>			
Sales tax exemption for railway excursion tickets	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
*Expected to exceed \$100,000 annually			

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
---	---------------------	---------	---------

**OTHER STATE FUNDS**

Loss - Other State Funds

Sales tax exemption for railway  
 excursion tickets

School District Trust Fund	(Unknown)	(Unknown)	(Unknown)
Conservation Sales Tax Fund	(Unknown)	(Unknown)	(Unknown)
Parks and Soil Sales Tax Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

**ESTIMATED NET EFFECT ON  
 OTHER STATE FUNDS\***

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
------------------	------------------	------------------

\*Expected to exceed \$100,000 annually

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
---	---------------------	---------	---------

<u>Loss</u> to Political Subdivisions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---------------------------------------	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON  
 LOCAL POLITICAL  
 SUBDIVISIONS\***

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
------------------	------------------	------------------

\*Expected to exceed \$100,000 annually

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### DESCRIPTION

This proposal provides a sales tax exemption for all ticket sales for railway excursions which go less than fifty miles from their origination, do not exceed one hundred miles in total length, and traverse state lines on standard gauge track as part of the federal railroad system of transportation.

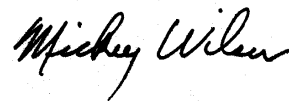
The effective date of this proposal is December 31, 2003.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Administration  
Budget and Planning  
Department of Economic Development  
Division of Motor Carrier & Railroad Safety  
Amtrak Rail Passenger Service & Amtrak Strategic Plan  
Missouri Division of Tourism

NOT RESPONDING: Department of Revenue



MICKEY WILSON, CPA  
DIRECTOR  
MARCH 12, 2003